

**STATEMENT OF PROCEEDINGS FOR THE SPECIAL MEETING OF THE
CITY OF SAN FERNANDO OVERSIGHT BOARD**

**CITY OF SAN FERNANDO
CITY COUNCIL CHAMBERS
117 MACNEIL STREET
SAN FERNANDO, CALIFORNIA 91340**

Thursday, July 19, 2012

10:00 AM

AUDIO LINK FOR THE ENTIRE MEETING. (12-3689)

Attachments: [Audio](#)

I. CALL TO ORDER

Chair Judith N. Frank called the meeting to order at 11:30 a.m.

II. ROLL CALL

Present: **Chair Judith Frank, Vice Chair Federico Ramirez, Board
Member Robert Moran, Board Member Megan Reilly, Board
Member Edgar Arroyo and Board Member Jerry Ramirez**

Absent: **Board Member Monte Perez**

III. ADMINISTRATIVE MATTERS

- 1.** Recommendation: Approve the minutes from the regular meeting of June 14, 2012. (12-3184)

On motion of Board Member Reilly, seconded by Vice Chair Ramirez, duly carried, the Board approved the June 14, 2012 Minutes by the following vote:

Ayes: 5 - Chair Frank, Vice Chair Ramirez, Board Member
Moran, Board Member Arroyo and Board Member
Ramirez

Abstentions: 1 - Board Member Reilly

Absent: 1 - Board Member Perez

Attachments: [Minutes - 06-14-12](#)

IV. DISCUSSION ITEMS**2. Review of Successor Agency Property Assets. (12-3189)**

Al Hernandez, San Fernando City Administrator, provided a list of property assets to the Oversight Board. Mr. Hernandez presented the following verbal report for each property asset and responded to questions posed by the Oversight Board:

Redevelopment Agency Owned Parcels Transferred to City of San Fernando on March 7, 2011 per Resolution NO. 1098:

The parking lot assets were transferred on March 7, 2011 per Resolution No. 1098 to the City of San Fernando. In June 2012, the State wanted to reverse these assets back to the Redevelopment Agency (RDA), except for areas where the City would gain benefit, which would be left to the City and considered as Reserved Status. Mr. Hernandez stated that the City has maintained and improved these parking lots, with service to the public, for many years. Mr. Hernandez further stated that the Oversight Board would be provided additional documentation at the next meeting, to support the consideration of leaving the parking lots as City owned assets, rather than transferring them to the RDA.

Board Members posed the question that when these parking lots were transferred to the City, was there any financial exchange. Mr. Hernandez responded to the Oversight Board that there was no financial exchange.

Affordable Housing - Former Redevelopment Agency Owned Parcels

These parcels are owned by the former Redevelopment Agency (RDA) and the Low and Moderate Housing Fund to create affordable senior housing projects. The affordable housing projects have been completed and owned by the RDA/Low and Moderate Housing Fund.

Vice Chair Ramirez further informed the Oversight Board that properties listed in the handout are part of one scattered site development, a total of three locations. All of these parcels are collectively part of a Senior Housing Project of 98 units, with a 99-year lease with the developer.

Parcels Transferred to City of San Fernando on March 7, 2011 per Resolution No. 7416 and March 9, 2012 per Resolution No. 7417

1320 San Fernando Road is currently a vacant lot and more likely to be transferred to the RDA for disposition.

551 South Kalisher was owned by the Low Moderate Housing Fund. When the City made a deal for 1422 San Fernando Road, the parcel located at 551 South Kalisher was purchased along with the transfer of rights, to accommodate the affordable housing project that is currently under construction at 1422 San Fernando Road. The parcel Lot located at 551 South Kalisher is considered as open space, necessary for 1422 San Fernando Road to meet the current code requirements. Vice Chair Ramirez further elaborated that 551 South Kalisher was a lot purchased in 2000, and after the first five years, a request was made for an additional period of time to develop an affordable housing site at the location, and/or sell the property and reimburse the Low Moderate Housing Fund. The Project at 1422 San Fernando Road facilitated the sale of the property, and use of it as open space for the affordable housing project at 1422 San Fernando Road, and because there was no sufficient open space at 1422 San Fernando Road to meet City regulations, 551 South Kalisher was then purchased for open space. The assessed value, as noted in the handouts, is based on a 2010 appraisal.

Board Member Moran inquired as to who is the Housing Successor Agency for the City of San Fernando. Mr. Hernandez informed the Oversight Board that now it is the County of Los Angeles. Vice Chair Ramirez commented that when the Successor Agency decided not to be the Housing Successor Agency, it designated the Housing Authority of the County of Los Angeles as the Successor Agency pursuant to ABX1 26; and the City did not take the responsibility because at the time there was no compensation for administrative expenses associated with undertaking activities of the former Redevelopment Agency with housing related issues; also in light of AB1484, the Successor Agency may reconsider what their options are and may consider to taking the responsibility again for Housing Affordable Agency. Mr. Hernandez affirm Vice Chair Ramirez' comment.

By Common Consent, there being no objection (Board Member Perez being absent), the Oversight Board accepted Mr. Hernandez' verbal report; and requested the Successor Agency to provide additional documentation on these properties to determine the disposition at the next meeting.

Attachments: [Supporting Documentation](#)

3. Status update on legislation bills relating to ABX1 26. (12-3190)

Al Hernandez, City Administrator, presented handouts, provided the following verbal summary of AB 1484, and responded to questions posed by the Oversight Board:

- **July 9, 2012 - Memo from the County of Los Angeles, Auditor-Controller, Notice of Demand for Payment, pursuant to Health and Safety Code Section 34183.5 (b) was received stating that AB 1484 requires that the Successor Agency pay the amount of \$512,000 or be subject to civil penalties pursuant to Health and Safety Code Section 34183.5 (b)(2)(c).**
- **July 11, 2012 - Memo from the County of Los Angeles, Auditor-Controller was received with an option that provides the Successor Agency with the choice of paying the pass through amount computed in the demand letter by July 12, 2012, or to defer paying the amount until January 2013. The Successor Agency opted to make a payment of approximately \$243,000 on July 12, 2012 to cover the obligations for the residual tax due, and defer the remaining payment of \$268.000 to January 2013 for Pass Through.**
- **July 19, 2012 - Memo from the County of Los Angeles Auditor-Controller, advised the Successor Agency to select and employ a licensed accountant to complete a "due diligence" review. Mr. Hernandez' concern is that the City's financial cash flow is becoming more critical, given to the various payments needing to be made in the coming months and there is no revenue coming in along with severe penalties should a payment is missed.**

Mr. Hernandez, also informed the Oversight Board that the passage of AB 1484 will allow in the future, for the Successor Agency to consider loan agreements for affordable housing projects between the City and the former RDA as valid obligations, and at that time some money will be paid back to the City.

AB 1484 also provided the following timelines as a guide for all Successor Agencies:

- **August 1, 2012 - The Successor Housing Agency must provide a final list of housing assets transferred before February 1, 2012. The Successor Agency will work on the transfer list using the new format provided.**

- **September 1, 2012 - The Successor Agency must provide the Department of Finance the approved Recognized Obligation Payment Schedule (ROPS) for period January – June 2013. The Oversight Board is expected to discuss ROPS 3 in its August meetings. Mr. Hernandez also informed the Oversight Board that Line Items will be added that were not paid to the Successor Agency since last June 2012.**
- **October 1, 2012 - The Successor Agency must provide to the Oversight Board, County Auditor-Controller, State Controller, and Department of Finance, the results of the Due Diligence Review conducted by a licensed accountant agency.**

After discussion, Chair Frank requested dates to meet in August 2012 to discuss ROPS 3. Mr. Hernandez recommended keeping the Regular Meeting of August 9, 2012 to consider and review the ROPS 3, with a follow up meeting later in the month of August 2012, for final approval of ROPS 3.

Chair Frank suggested to the Oversight Board to meet on its Regular Meeting date scheduled for August 9, 2012 beginning at 9:00 a.m. and scheduled a Special Meeting for August 23, 2012 at 10:00 a.m.

Board Member Moran requested that any additional documents that need to be reviewed for ROPS 3 be provided in advance of the Regular Meeting.

Pertaining to the Due Diligence Review, Board Member Moran inquired about the Agreed Upon Audit Procedures (AUP), and suggested that the individuals selected to conduct the AUP also perform the Due Diligence Review. Mr. Hernandez suggested that the Successor Agency hire their own firm due to limited timeframe and familiarity with the City's activities.

By Common Consent, there being no objection (Board Member Perez being absent), Mr. Hernandez' verbal report was accepted by the Oversight Board, and scheduled the following dates for the review, discussion, and approval of ROPS 3:

Regular Meeting: Thursday, August 9, 2012 at 9:00 a.m.

Special Meeting: Thursday, August 23, 2012 at 10:00 a.m.

Attachments: [Supporting Document](#)

V. MISCELLANEOUS

4. Matters not on the posted agenda (to be presented and placed on the agenda of a future meeting). (12-3186)

There were no matters presented for a future agenda.

5. Public Comment (12-3187)

There was no Public Comment.

6. Adjournment. (12-3188)

The meeting adjourned at 12:28 p.m. The Oversight Board scheduled the following meetings in anticipation and preparation for the review, discussion and approval of ROPS 3:

- **Thursday, August 9, 2012 at 9:00 am.**
- **Thursday, August 23, 2012 at 10:00 a.m.**